

Michigan Strategic Fund Workforce Development Agency **Skilled Trades Training Fund**

Background

Michigan's business climate and economy continues to recover from the devastating job losses of the past five years. However, the state's labor exchange system is being challenged to find talent for businesses who are seeking individuals with new and emerging skill sets. The growing shortage of skilled workers threatens our economic competitiveness. To address this need, the Governor recommended and the Legislature supported the creation of the Skilled Trades Training Fund (STTF) program for Fiscal Year 2014 (October 1, 2013 – September 30, 2014.)

The STTF will provide competitive awards for the development and implementation of employer responsive training that will enhance talent incomes, productivity, and employment retention, while increasing the quality and competitiveness of Michigan's businesses. The STTF program will ensure Michigan's employers have access to the talent pipeline they need to compete and grow, and participants have the skills they need for in-demand jobs. The program will create and expand collaboration between the Michigan Works! Agencies (MWAs), economic development, and educational agencies by funding demand-driven training that addresses talent shortages hampering the growth of Michigan's priority industries.

The STTF will be used to fill any documented skill mismatch that currently exists in Michigan, including, but not exclusively limited to skilled trade occupations. Examples of skilled trade occupations in Michigan can be found in the [Employment and Occupations in the Skilled Trades in Michigan](#) report, issued June 2013, by the State of Michigan, Department of Technology, Management, and Budget, Bureau of Labor Market Information and Strategic Initiatives. Skilled trades encompass 3 broad categories: skilled industrial trades, skilled construction trades, and skilled service trades.

Allowable Training

Training programs funded by the STTF must fill a documented talent need experienced by an eligible participating business. The training must lead to full-time employment or continued employment. Examples of allowable training include:

- Classroom
- OJT
- Customized
- Incumbent Worker
- U.S. Department of Labor (USDOL)/Veterans Administration (VA) Registered Apprenticeships

The actual approved amount for allowable training activities will be determined on a case-by-case basis. Targeted amounts are as follows:

- Classroom—\$1,500
- Incumbent Worker—\$1,500
- OJT—\$1,500
- Apprenticeship—\$3,000

Training Duration

Funding will be utilized to provide short-term training to meet current, documented needs of businesses.

Funding Awards

Funding for approved classroom training will be paid directly to the training institution at the completion of training. In cases of STTF-supported OJT, payments for employee wages will be to the business on a reimbursement basis, consistent with approved documentation of the eligible costs. STTF OJT's will be paid with a single payment method following the six-month retention period. Payment amounts will be according to the following schedule:

- 50 percent reimbursement earned once the participant has retained employment for 60 days, following training completion;
- 75 percent reimbursement earned once the participant has retained employment for 90 days, following training completion;
- 100 percent reimbursement earned once the participant has retained employment for 180 days, following training completion.

An amount up to five percent of an award may be used by the MWA for administrative costs, including leading the fact-finding session, the identification of other allowable funding sources, wrap-around services, the tracking and reporting of project outcomes and follow-up activities. Administrative costs are paid at training completion and retention.

Anticipated Program Outcomes

The STTF program will benefit businesses and the state by sustaining and expanding economic recovery and reducing unemployment levels.

Specific participant goals:

- Jobs Created—1,500
- Jobs Retained—2,500
- Training Completion Rate—75%
- Employment Rate Following Training Completion—80%
- Employment Retention Rate at Six Months—70%
- Hourly Wage at Six Months—\$13.95

Visit our website at www.michigan.gov/wda for more information.